



Performance Anxiety

The rocky economy is pressuring staffers from all sides.

By Laura Williams-Tracy

Talk about a rock and a hard place. For onsite self storage staff, the recession hits from all sides.

Dropping occupancy rates and the ever-present need to convert phone calls into customers means staff feels more pressure than ever to deliver performance that keeps owners and managers at bay.

Then there's the pressure of the customers themselves. The deep recession and housing bust that caused customers to lose their jobs and their homes means unhappy customers arrive daily, either to retrieve their belongings or beg that their possessions not be auctioned away.

"These customer service providers are caught in a complex set of conflicting emotions," says Tom Litton, president of Litton Property Management, which manages 21 facilities in California and the Midwest.

Employees can't avoid the effects of the recession around them, says Brad North, whose firm, Advantage Consulting

and Management, operates 12 facilities in Ohio, Georgia, South Carolina and Florida.

"They see it when customers come in and their home has been foreclosed upon," North says. "At times, our staff has to wear their counseling hat."

The result: workplace anxiety is at an all-time high.

While layoffs haven't been rampant in self storage, the recession hasn't left the industry unscathed.

All of the large public players—Public Storage, Extra Space Storage Inc., Sovran Self Storage Inc. and U-Store-it Trust—have struggled in the economic downturn.

In May, Public Storage Inc. CEO Ron Havner told analysts that markets such as Atlanta were a "train wreck" for the largest player in the industry.

Markets that once prospered from a housing boom are no longer benefiting from a population in constant transi-

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tion to bigger homes. High unemployment means fewer people use storage as they move to new cities for new jobs. Companies have less inventory to store.

Rampant Worrying Hurts Business

A workforce anxious about its job is a hidden threat to business, says Dr. Tahira Probst, a professor of psychology at Washington State University Vancouver and the author of a recent study published in *PersonnelToday* on the topic of workplace concern.

Worrying about losing a job might make workers more productive in the short run, but over time those improvements diminish, Probst says.

“Job insecurity can lead to a host of adverse outcomes, from lowered job satisfaction, less organizational commitment, more physical health complaints and even more workplace accidents and injuries,” she says.

In self storage, management companies say employees aren’t asking for raises in these difficult times, and some appear hesitant to take vacation or sick days. Some managers say they’ve heard employees worry about an owner cutting the entire sales team, figuring that a wholesale change might result in better results.

Workers who are worried about losing their jobs tend to be more risk averse and tend to be less creative at

work, Probst says. Her research has shown that anxious employees were less able to solve problems on the job.

In the short term, nervous employees become more productive when threatened with layoffs, Probst says. But, she adds, the benefits are short term and come with long-term costs. Employee output tends to drop as employees take shortcuts to get more work done. That leads to accidents and injuries.

While few companies can ever promise employees that their jobs are secure, Probst says organizations benefit from an open dialogue.

“Often times the rumor mill is more damaging and worrisome than the truth,” Probst says. “Research that I have conducted shows that employees in organizations with open communication do not suffer the negative consequences of job insecurity.”

Probst adds that employees at those companies may still worry for their jobs, but they don’t experience the lack of organizational commitment or other negative effects.

Perception versus Reality

That’s been the approach of Public Storage. And despite difficult times, the company has not had wide-spread layoffs among its staff of 4,000 employees in the field.

“What we’ve been trying to tell our employees is that nothing is ever guaranteed, but we’ve laid out the picture

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for them that our company is properly financed and not on the edge of existence,” says Clem Teng, vice president of investor relations for Public Storage. “When you look at us versus the other types of business, yes we’re down, but self storage is a little bit recession resistant.”

Delivering good performance is the best antidote for recession anxiety.

“Although rent concessions are often required, we’ve actually grown our occupancy in excess of three percent over the previous year,” says Charlie Fritts, chief operating officer for Storage Investment Management Inc., a predominantly Northeastern owner, operator, developer and manager of storage properties. “I would guess that has probably staved off most of the employee concerns.”

The recession has created laser focus on making all employees—not just managers—understand the company’s key performance indicators, including storage goals, conversions of callers and walk-ins to renters and mystery shopper scores.

“What gets measured gets improved!” Fritts says.

Job duties also grow.

“We’re focused on training and equipping our people and letting them know that during this challenging time we may be asking things of you. It’s time to get in the trenches and make sure people are productive,” North says. “I think that has helped get their mind off (potential) layoffs.”

North’s company has not had any personnel cutbacks or layoffs, but has asked assistant managers to step in and fill gaps when facility managers are spending more time marketing.

North says there is more emphasis on controlling expenses, and employees are learning the difference between economic occupancy and high occupancy rates at rent levels that don’t create value for the owner.

Along with anxiety, Litton says managers who were successful in good times are dealing with a blow to their confidence. What once worked well doesn’t always work in a bad economy.

“Astute owners have to force themselves to detach from the panic they are feeling and be leaders, encouraging their employees to keep the facility clean and make the best of every phone call,” Litton says. “You have to display the behavior you want to see in your employees.” ❖



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